

Agency 365

Washington State University**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	5,593.8	375,588	489,361	864,949
Total Maintenance Level	5,983.2	402,090	556,006	958,096
Difference	389.5	26,502	66,645	93,147
Percent Change from Current Biennium	7.0%	7.1%	13.6%	10.8%
Performance Changes				
General Enrollments	15.0	7,200		7,200
Lower Division Planning Funds		500		500
Pension Gain Sharing		(611)	(237)	(848)
Projected Unit Credit - OSA #		(3,606)	(1,405)	(5,011)
Pension Savings in Salary Items #		(36)	(15)	(51)
Super Coalition Health Benefits		2,197	468	2,665
Classification Revisions		208	58	266
Nonrepresented Employees Cost of Living Adjustment		15,140	4,565	19,705
Nonrepresented Employees Health Benefit Change		851	503	1,354
Nonrepresented Salary Survey Implementation		815	439	1,254
General Inflation		(682)	(3,928)	(4,610)
Collective Bargaining -WFSE		277	89	366
Collective Bargaining - Police		50		50
Maintenance and Operations Shift		(2,239)		(2,239)
Veterinary Medicine		2,028	540	2,568
Lidded Grant Compensation Costs		319	(319)	
Subtotal	15.0	22,411	758	23,169
Total Proposed Budget	5,998.2	424,501	556,764	981,265
Difference	404.5	48,913	67,403	116,316
Percent Change from Current Biennium	7.2%	13.0%	13.8%	13.4%
Total Proposed Budget by Activity				
Administration	69.9	6,319	6,104	12,423
Community Outreach	661.8	53,235	47,271	100,506
Instruction	3,348.0	282,525	256,734	539,259
Research	1,918.6	62,641	240,873	303,514
Compensation Cost Adjustment		19,781	5,782	25,563
Total Proposed Budget	5,998.2	424,501	556,764	981,265

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PERFORMANCE LEVEL CHANGE DESCRIPTIONS

General Enrollments

This increased investment in state-supported general enrollments responds to the demographic pressure on the higher education system and maintains access to the state's higher education institutions. Funding is provided to expand general enrollments by 315 student FTEs in Fiscal Year 2006 and 515 in Fiscal Year 2007. Of these totals, 100 FTEs in 2006 shall be used to expand upper-division access at Washington State University's (WSU) branch campus in Vancouver, 20 FTEs in each year shall be used to expand upper-division access at WSU's Spokane campus, and 45 FTEs each year shall be used to expand upper-division access at WSU's branch campus in the Tri-Cities. In Fiscal Year 2007, 200 FTEs shall be used to introduce lower-division students to WSU-Vancouver. These enrollments are provided in addition to the level reported by the institution for academic year 2005 and may not be used for students currently enrolled.

Lower Division Planning Funds

WSU-Vancouver is provided \$500,000 to assist the transition from a branch campus serving upper-division students, to a four-year campus serving freshmen, sophomores, and upper-division students. Funds may be used to develop curricula, recruit new faculty, and expand student services. Consistent with the recommendations of the Higher Education Coordinating Board, WSU-Vancouver may begin enrolling lower-division students beginning in Fall 2006.

Pension Gain Sharing

Prefunding for Pension Gain Sharing is removed from the budget.

Projected Unit Credit - OSA

This item reflects moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

Pension Savings in Salary Items

The cost of providing cost-of-living and other salary adjustments is reduced to reflect the lower pension contribution rates under the projected unit credit method.

Super Coalition Health Benefits

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

Classification Revisions

This provides funding to phase in classification consolidation and revisions required by the Public Service Reform Act of 2002. Group Two and Group Three of the Department of Personnel's classification plan would be affected.

Nonrepresented Employees Cost of Living Adjustment

The Governor provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

Nonrepresented Employees Health Benefit Change

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

Nonrepresented Salary Survey Implementation

This implements the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Collective Bargaining -WFSE

Washington State University bargained with the Washington Federation of State Employees (WFSE) which represents the following bargaining units: Bargaining Unit 1 - Research and extension units west of the Cascades; Bargaining Unit 11 - the Intercollegiate College of Nursing. The primary economic items negotiated were first and second year wages. All employees covered by the contract will receive a 3.2 percent wage increase effective July 1, 2005. The increase will be added to the employee's base rate of pay. All employees will also receive a 2 percent lump sum payment effective July 1, 2006. The 2 percent lump sum payment will not be added to the employee's base rate of pay. (General Fund-State, Institutions of Higher Education Grants and Contracts Account-Nonappropriated, Institutions of Higher Education Dedicated Local Account-Nonappropriated)

Collective Bargaining - Police

Washington State bargained with Bargaining Unit 4, representing police positions. The bargaining teams' agreement was ratified by the Washington State University Police Guild on September 28, 2004, and has been approved by the Washington State University Board of Regents.

Maintenance and Operations Shift

In addition to the fund shift that occurred in the 2003-05 biennial budget, an additional amount of the maintenance and operations budget for Washington State University is moved from the General Fund to the Education Construction Account

Veterinary Medicine

As a result of Oregon State University's (OSU) termination of its contract with Washington State University (WSU) for WSU's Doctor of Veterinary Medicine (DVM) program, the College of Veterinary Medicine will receive none of the \$2.6 million (\$2.4 million in 2002) that it would have received annually under the old arrangement. The 2003 Washington State Legislature responded to this urgent situation by funding \$1.5 million for the 2003-2005 Biennium to cover the first phase of the withdrawal. WSU receives its last OSU payment in Fiscal Year 2005. Therefore, although the phased increase in enrollment will not be completed until Fiscal Year 2007, full replacement funding is necessary in Fiscal Year 2006 to stabilize the college's DVM program and instructional budget, preserve high quality programs, provide increased access to veterinary medical education for Washington residents, and fully utilize the facilities and veterinary instructional resources in service to Washington stakeholders. (General Fund-State, Institutions of Higher Education Operating Account-Nonappropriated)

Lidded Grant Compensation Costs

Because the Higher Education Federal Appropriations Account is lidded, compensation cost increases are shifted to the General Fund. (General Fund-State, Institutions of Higher Education Appropriations Account)

ACTIVITY DESCRIPTIONS**Administration**

This activity is the executive leadership of the university and is composed of the Board of Regents, President's Office, Faculty Senate, Federal Government Relations, Vice President for Business Affairs, Assistant Attorney General, and the Academic Vice President and Provost.

Community Outreach

As a land-grant institution, the University provides services to the general public such as economic development, lectures, and conferences. Two major programs, the Cooperative Extension program and the Small Business Development Center, provide technical and other assistance to small businesses, individuals, and communities. KWSU radio and television provide educational programming throughout Washington.

Instruction

The University provides undergraduate and graduate education in the liberal arts and natural sciences, as well as in agriculture, engineering, business, health sciences, veterinary medicine, and education.

Research

Washington State University provides research programs in close relationship with its instruction and public service programs. The Agricultural Research Center provides scientific analysis and practical solutions to problems affecting farmers, processors, merchandisers, exporters, and consumers of agricultural products. Grants and contracts provided by federal, state, and private sources allow the university to conduct vital research and training to benefit the people of Washington.

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Compensation Cost Adjustment

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.